



Public Employees for Pension Responsibility

A coalition of Washington State Public Employee Unions and Retirees
Associations serving active and retired state and public employees

To: Members of the Select Committee for Pension Policy (SCPP)
From: Public Employees for Pension Responsibility (PEPR)
Date: October 1, 2014
Re: Loss of Purchasing Power for Plans 1 Retiree's

At their September 25th meeting, the members of the PEPR coalition agreed to request that the SCPP conduct a study on the loss of purchasing power for Plans 1 retirees.

Retirees in Plans 1 (except for those who earn \$1547 or less a month) are the only group that does not have a COLA now that the UCOLA was abolished. With the impacts of the great recession, Plans 1 retirees face a loss of purchasing power and are becoming less able to provide for their needs and more in need of services provided by government programs.

Given the repeal of the Uniform COLA for the Plans 1 in 2011, PEPR believes The Select Committee on Pension Policy should consider the impact of this decision on retirees and make recommendations, if appropriate, on rectifying the inequities between the plans. The last time Plan 1 COLAs and purchasing power were studied was in 2008. In order for the legislature to know how much will be required to address the needs of Plans 1 retirees, we are urging the Select Committee on Pension Policy re-examine the problem created by the repeal of the uniform COLA.

We are requesting a review of all COLAs that were repealed when the 2011 bill SHB 2021 was enacted. In addition we request answers to three basic policy questions:

- Has there been a loss in purchasing power for Plans 1 retirees?
- Who is most in need of a COLA?
- What form should a new COLA take?

Thank you for your consideration on this important issue.

PEPR
(Public Employees for Pension Responsibility)
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American Federation of Teachers Washington
Bernal Baca

Washington State Council of County and City Employees
Council 2
J. Pat Thompson

Washington State Labor Council
Joe Kendo

Teamsters Joint Council 28 and Local 117
Majken Ryherd/ Teresita Torres/Brenda Wiest

IBEW Local 77
Bob Guenther, G.A.

Professional And Technical Employees Local 17
Vince Oliveri/Adrienne Thompson

Washington Education Association &
Washington Education Association – Retired
Julie Salvi/Kit Raney

SEIU Local 925
Adair Dammann/Lani Todd

SEIU Healthcare 1199 NW
Lindsey Grad

Retired Public Employees Council of Washington
Maria Britton-Sipes/Bev Hermanson

Association of Washington School Principals &
Washington Association of School Administrators
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Washington State School Retirees' Association
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